



State of Montana
Commissioner of Securities and Insurance

2012 Agency Biennial IT Report
Fiscal Year 2011-2012

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EXECUTIVE SUMMARY

The Montana Commissioner of Securities and Insurance (CSI), also known as the State Auditor, is the chief regulator of Montana's insurance and securities industries. The CSI is a law enforcement agency charged with protecting Montanans from fraud and abuse in investments and insurance.

The CSI Information Technology Department (IT) is responsible for development, maintenance, central coordination, and support of technology services for the CSI. The department provides systems and user administration, applications development, and support services to the agency, contractors, consultants and Federal entities. IT is responsible for the planning, development, implementation and maintenance of comprehensive IT solutions to better provide services to the agency's employees, partners, vendors and the public. Responsibilities include technical short term and long range planning, management reporting, budgetary planning, resource allocation, and development of policies and procedures.

IT provides support in end-user computing, office automation products, microcomputer support, computer-related training, research and evaluation of end user office automation products, and publication and maintenance of microcomputer user guides. The CSI also provides for the development, configuration, implementation, operation and ongoing support of all communications networks utilized within the agency. The CSI relies heavily on a stable and accessible technology infrastructure.

The IT goals that are described in this biennial report and comments related to those goals reflect the progress that the CSI has made in meeting the goals established by the CSI's 2010 Agency Strategic Plan. For each objective that was included with the six goals in the 2010 plan, CSI will describe the agency's accomplishments and the current status of the objective.

During the past year and a half, the CSI has evaluated its IT systems and started the process of updating its IT infrastructure. Subsequently, the CSI has decided to replace many of the functions of our current internal application, SAOProd with State Based Systems (SBS), a software product provided by the National Association of Insurance Commissioners (NAIC). SAOProd was developed in-house to perform the business functions that regulate the securities and insurance industries in Montana, but maintenance of this solution has become cumbersome and slow. SBS, a no-cost solution, provides a more modern software package that will help standardize Montana's insurance regulation services with a growing number of states.

SECTION 1: AGENCY IT PLAN ACCOMPLISHMENTS – GOALS & OBJECTIVES

Goal Number 1:

ITG 1

Description: CSI will continue a measured approach for committing to NAIC/National Insurance Producer Registry (NIPR) initiatives and their integration with the Montana CSI database. These initiatives promote data interchange through national insurance organizations.

NAIC's mandate is to benefit state regulators and insurance consumers by promoting uniformity of regulation among the states and making it easier for insurance companies to comply with the laws and regulations in all states in which they do business.

NIPR is a unique public-private partnership that supports the work of the states and the NAIC in making the producer-licensing process more cost-effective, streamlined and uniform for the benefit of regulators, the insurance industry and the consumers they protect and serve.

Benefits: The insurance industry in Montana benefits as data collection and interpretation become standardized. The CSI sees the push for standardization within the insurance industry not only in the area of health insurance, but in all areas of insurance products.

Which state strategic goal(s) and/or objective(s) does your goal address? Involve communities of interest with common and/or related business objectives in information technology strategic planning

Supporting Objective/Action

ITO 1-1 Continue to evaluate the ramifications, advantages and disadvantages for integrating NAIC/NIPR technical initiatives in the CSI.

Accomplishments: After a thorough assessment of CSI IT operations and how the CSI collects and stores data, it was determined that integration with NAIC/NIPR through their State Based Systems (SBS) application system would be beneficial. SBS is rapidly becoming the uniform, national standard for data management of state-based insurance regulation. It will give CSI staff direct integration with national insurance databases and reduce strain on existing CSI IT resources.

Status: Evaluations have been completed. Initial business requirements discussions have begun.

Supporting Objective/Action

ITO 1-2 Build data solutions that interface with national databases and improve communication between the public and members of industry.

Accomplishments: The CSI has held two week-long meetings with SBS staff to develop business needs and requirements. Various bureaus and staff within the CSI have participated in these meetings, including continuing education, financial exams, and licensing.

Status: Business needs and objectives are being cross-mapped from the CSI legacy systems to SBS.

Goal Number 2:

ITG 2

Description: CSI IT will continue to improve information sharing within the agency while improving the security of CSI databases. This illustrates our agency's commitment to increase information availability and reduce paper flow while protecting sensitive data.

Benefits: The CSI's employees and customers will benefit from increased data security.

Which state strategic goal(s) and/or objective(s) does your goal address? Protect individual privacy and the privacy of information contained within IT Systems.

Supporting Objective/Action

ITO 2-1 Continue our program of privacy/security training for our employees in their role as employees in a regulatory agency.

Accomplishments: The CSI has developed internal on-line training resources, in addition to using federal Department of Defense on-line training modules to educate and train new and existing employees on how to protect Personally Identifiable Information (PII). This will be a yearly training requirement for all CSI employees going forward.

The CSI is in the process of performing a thorough review of all PII and removing it from CSI business and technical processes where it is not required by law. In addition, internal policies and controls are being developed on how to handle a CSI data breach and notify the public if necessary.

Status: Internal training programs have been developed. All CSI employees will have completed security/ training by September 1, 2012. Security/privacy training will be done each year for all CSI employees in order to safeguard CSI data. Internal policies and controls continue to be developed in related areas.

Supporting Objective/Action

ITO 2-2 Develop the full potential of staff by promoting training and cross training on the various parts/capabilities of the CSI production database.

Accomplishments: CSI utilizes classes taught by internal staff for basic computer literacy and software products that all CSI employees use regularly. Classes have been developed for SABHRS (timesheets), Microsoft Office products, email, privacy/security training, etc.). CSI employees also can attend outside training as approved by their managers. Specifically within CSI IT, IT staff spend time cross-training in each specific technical area within the department in order to provide better service to CSI employees.

Status: This action is on-going.

Supporting Objective/Action

ITO 2-3 Promote positive communication, cooperation and mutual respect within and among all work units.

Accomplishments: IT continues to provide tools for better communication and cooperation within the CSI. The Commissioner has appointed an internal CSI Information Technology Management Committee (ITMC) to meet quarterly to review technical projects, policies and expenditures in order to streamline CSI IT business operations to better serve CSI staff and customers.

Status: This action is on-going.

Supporting Objective/Action

ITO 2-4 Protect individual privacy and the privacy of information contained within the CSI IT systems.

Accomplishments: The CSI has begun developing and implementing security policies, training staff and users, performing network security checks, backing up and performing test restores on all CSI data and creating checks and balances for all access to sensitive data to protect agency/consumer information. This includes logging all access to sensitive data and CSI servers by any CSI personnel, protecting data on mobile devices (including laptops, jump drives, and personal devices) through compliance with FIPS-140 and FIPS-199 standards, backing up all servers nightly (incremental) and weekly (full), limiting the visible footprint of all network devices through compliance with NIST SP800-53 R3 security controls, and using these controls to implement risk management strategies.

Status: This action is on-going.

Goal Number 3:

ITG 3

Description: Transition from our outside contractor to in-house management of the Insure Montana database

Benefits: The CSI enlisted an outside contractor to develop the database that is used to administer Insure Montana.

Which state strategic goal(s) and/or objective(s) does your goal address? Implement common business applications and shared services across governmental units

Supporting Objective/Action

ITO 3-1 The CSI IT department will stay involved in the Insure Montana database project that our outside contractor is producing.

Accomplishments: Insure Montana recently completed a CEP process to contract with an outside vendor to support the Insure Montana Oracle database application and web development projects.

Status: This objective is ongoing.

Supporting Objective/Action

ITO 3-2 Develop a transition plan for handing off the Insure Montana application to the CSI IT department.

Accomplishments: This action has been deferred.

Status: This objective is deferred.

Goal Number 4:

ITG 4

Description: Continue to upgrade CSI hardware and software.

Benefits: The CSI's employees and customers will benefit from the increased data availability. Newer releases of software usually have improved features and reliability. Newer hardware usually runs faster, more reliably and has features that benefit both desktop users and the agency as a whole.

Which state strategic goal(s) and/or objective(s) does your goal address? Implement common business applications and shared services across governmental units

Supporting Objective/Action

ITO 4-1 Evaluate the CSI's equipment needs (servers, peripherals and desktops) and replace older hardware to meet business access requirements.

Accomplishments: The CSI has completed extensive hardware upgrades in the past year. CSI IT has reengineered our technical server environment and moved it from a physical to a virtual environment. Through this process, redundancy has been created through the implementation of a clustered virtual environment. This cluster includes two hosts which are fiber attached to SAN (storage area network) storage. This creates high availability and failover in the event one hardware component becomes unavailable. The SAN storage is configured to deliver data at a high rate of speed with fiber connections and faster internal data drives. This environment gives CSI IT the ability to deliver and manage new applications and systems more efficiently. The implementation time for a new systems and applications has decreased significantly due to the functionality within this environment, allowing CSI IT to better meet the needs of regulatory staff.

Status: The CSI continues to evaluate its equipment needs and desktop replacement is ongoing.

Supporting Objective/Action

ITO 4-2 Maintain our software to keep our operating systems and desktop applications up to date

Accomplishments: CSI IT has implemented desktop management software to be able to collectively manage desktop configurations, specialized software and security updates and all end-point devices on the network. We use a combination of: Windows Software Update Services (WSUS), ESET Virus Scan Security, Zenworks Configuration Management and ZCM Endpoint Security. These technology products help to implement change quickly across the CSI network in order to secure and protect CSI data.

Status: This action is on-going.

Supporting Objective/Action

ITO 4-3 Maximize the CSI's IT resources as they are consumed by individual employees at their desktops

Accomplishments: In the past year, CSI has propagated a much more accurate and timely method of accounting for hardware and software licenses at the desktop level. CSI IT has also implemented desktop management software to be able to collectively manage software, security updates and all end-point devices on the network. Internal IT audit procedures help ensure software licensing compliance. Internal training has also been developed for CSI users to perform their jobs more efficiently.

Status: This action is on-going.

Goal Number 5:

ITG 5

Description: Continue to construct the infrastructure and desktop access to the documents that various CSI departments have been scanning

Benefits: Scanned documents will provide quicker access and restructure the office environment to reduce storage of paper documents.

Which state strategic goal(s) and/or objective(s) does your goal address? Involve communities of interest with common and/or related business objectives in information technology strategic planning

Supporting Objective/Action

ITO 5-1 Continue the scanning process and development of the infrastructure that will make the scanned images available to CSI staff

Accomplishments: CSI has scanned a majority of the existing paper files related to the bureaus within the agency and those bureaus continue to scan new documents as part of their daily processes.

Status: This action is ongoing.

Supporting Objective/Action

ITO 5-2 Install access to the imaged documents at the desktop for CSI users

Accomplishments: This is completed for our current catalog of scanned documents, but when the agency implements a more robust electronic documents management system, a new scheme for desktop users to access scanned documents will be established.

Status: This objective is complete for current scanning system.

Goal Number 6:

ITG 6

Description: Build an on-line application designed to transition from an outside contractor, PRIM, for handling surplus lines insurance transactions in Montana

Benefits: After discussions with outside IT contractors (early 2009), our agency decided to build an on-line application to gather submissions and renewals of surplus lines insurance information. This paper based function was handled by an outside contractor for the past 15 years. This goal was part of the CSI's 2009 update and a majority of the work on this new application is completed. This year's goal is to fine tune this application.

Which state strategic goal(s) and/or objective(s) does your goal address? Implement common business applications and shared services across governmental units

Supporting Objective/Action

ITO 6-1 *Description:* Our IT department built an on line surplus lines system that will be integrated with our existing database. Our objective now is to fine tune the application.

Accomplishments: This task is completed and is in maintenance mode.

Status: Complete

Supporting Objective/Action

ITO 6-2 *Description:* Reduce hard copy forms submission and improve capability for regulatory activities

Accomplishments: With few exceptions, all surplus lines submissions now come to the CSI from our in-house, on-line system. Because the CSI paperless system is much more efficient, the agency has eliminated the cost of on-line submissions for surplus lines producers as of January 2012.

Status: Completed

SECTION 2: IT INITIATIVES STATUS UPDATES

CSI didn't have any IT initiatives as part of the agency's 2010 IT Strategic Plan.